

# Otay Mesa East Port of Entry

## Gateway of Opportunity

New Port of Entry

Scheduled Opening 2015

2.5-Mile/Four-Lane State Highway  
(SR11)

Add Capacity

Improve Efficiency

Pilot Project

120-Acre Greenfield - Room to Grow

Innovative Operations and Security

Economic Engine/Jobs





## INNOVATIVE PLANNING

### The need is great.

All border crossings between California and Mexico are congested and hampered with a footprint that is inadequate to meet 21st century demand.

- The busiest international passenger land crossing along the United States-Mexico border is clogged. (San Ysidro/Tijuana)
- The Otay Mesa Port of Entry (POE) nearby is accommodating the third highest dollar value of trade among all southern border POEs.
- More than 1.4 million trucks carrying an estimated \$28.6 billion in goods crossed at the Otay Mesa POE in 2006. The number of trucks is expected to double by 2025.
- Peak wait times for commercial truck drivers can routinely last for four hours.
- Border traffic congestion and delays cost the U.S. and Mexican economies an estimated \$7.2 billion in gross output (value of goods and services produced) and more than 62,000 jobs in 2007. The annual dollar loss is equivalent to 23 Super Bowls. The annual job loss is equal to four Google companies!
- Border congestion is detrimental to air quality.

- The California Department of Transportation (Caltrans), the San Diego Association of Governments (SANDAG), and U.S. General Services Administration (GSA) have developed a feasibility study of the existing commercial crossing, Otay Mesa, as a first step to address congestion and capacity constraints. Our studies indicate that a new border crossing must be part of a 21st century approach.

### A solution is needed.

The Obama Administration has a vision for 21st century border crossings, and the Otay Mesa East Port of Entry project presents a model approach that we want to create with our federal partners.

A third border crossing at Otay Mesa East will reduce delays and congestion, better accommodate projected trade and travel demand, and increase economic growth and job opportunities on both sides of the border without sacrificing border safety and security.

### The solution will require unique partnerships.

SANDAG, in cooperation with Caltrans, GSA, U.S. Customs and Border Protection (CBP), U.S. Department of Transportation (DOT), counterpart agencies in Mexico, and other project stakeholders, is working on developing the new Otay Mesa East POE and State Route 11. This development will improve

the efficient movement of people and goods between the United States and Mexico.

A flexibly designed new POE will accommodate increased demand, partnering opportunities, and new technologies as part of the solution. The project will be developed in phases, allowing the facility to progress while providing a safe, secure, and efficient crossing.

Scheduled to open in 2015, this POE and 2.5-mile, four-lane state highway will connect the U.S.-Mexico border to key regional, state, and international highways.

The project, on the U.S. side of the border alone, is expected to cost between \$615 million and \$715 million and is to be funded through tolls, fees, and other revenues such as California's Proposition 1B Trade Corridor Improvement Fund.

## INNOVATIVE FINANCING

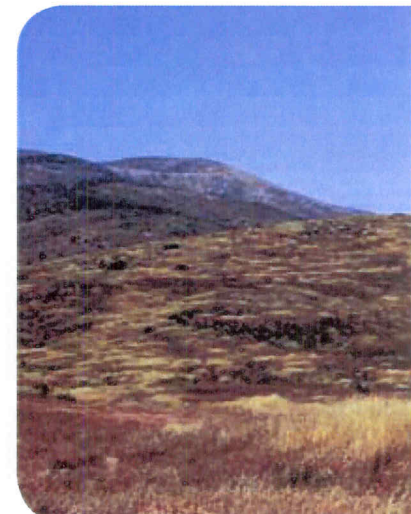
### Financial plan first.

- Create a top notch finance team early in the planning process.
- Determine the revenue generating capacity of the toll road.
- Design a project.

The "financial plan first strategy" was developed by researching best practices and recognizes that the early



Today: Otay Mesa Port of Entry



120-acre greenfield: Growing for .



engagement of a financial team is a key ingredient to minimizing risk and delivering a successful toll road project.

Over the past decade, a number of comprehensive studies on the nation's transportation system have concluded that a significant increase in funding and investment is needed to keep America competitive. These studies have pointed out that historically, transportation infrastructure has been financed primarily through a combination of state and local taxes and fees, and – for major projects – federal grants funded by national motor fuels taxes. These resources are typically combined to fund projects on a “pay-as-you-go” basis, meaning that projects often have been built in phases or increments as funds become available over a period of years.

However, as funding for the nation's transportation infrastructure needs continues to shrink, public officials, financiers, and transportation professionals are exploring a range of new innovative financial tools to help fill funding gaps. For example, these public funding constraints have fueled new interest in tolls as a revenue source to support transportation investment.

## Tolling is part of the solution.

Today, during a time of constrained public resources, many transportation agencies, including SANDAG, see toll

facilities as a way to help close funding gaps for transportation projects, like the proposed Otay Mesa East POE. Specifically, tolling can promote the following benefits in transportation spending:

- Fostering public-public partnerships and attracting private capital
- Drawing on the public's willingness to pay direct user charges by offering a choice
- Leveraging new sources of capital
- Freeing up traditional public resources for non-revenue-generating projects
- Allowing additional transportation facilities to be developed more quickly than would be possible under conventional public procurement, funding, and ownership
- Facilitating value pricing plans

Since most of the revenues that will pay for the project's costs are expected to be generated from tolls, SANDAG and Caltrans must ensure that the project's toll revenue generation capacity is included in the decision matrix at all times and is weighed appropriately. The tolling capacity will determine the size and scope of the project. It has been determined that the user fee approach is acceptable to border crossers who know

they will receive a premium service which in turn will save them time and money.

This unique transportation project also will create economic development on both sides of the border.

## INNOVATIVE CONSTRUCTION

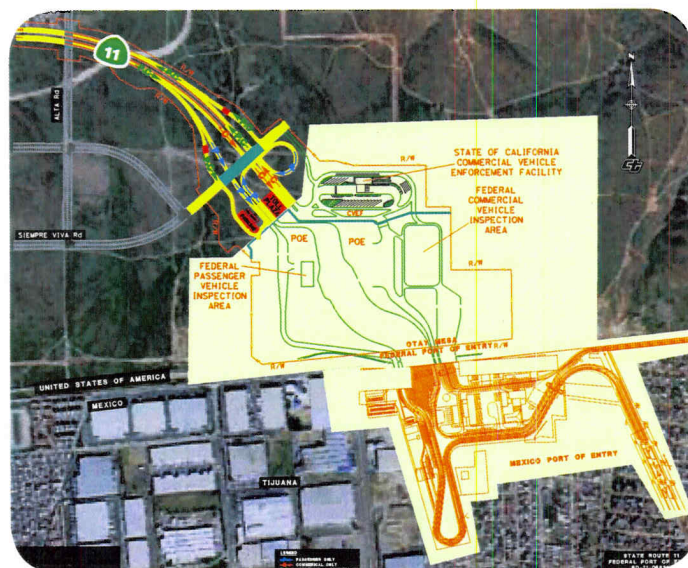
### Pilot project.

The new POE will be constructed in phases on a 120-acre site with room to expand as demand grows in the future, and new technology and innovative security measures are introduced. This POE is being positioned to be a national pilot project – a test bed for new solutions.

### Phased construction.

The first phase, scheduled to open in 2015, will add capacity for regional and national needs, improve efficiency and use best practices already in place from CBP. Safety and security remain foremost in the planning approach, but it also must be ensured that this project will efficiently grow business and the economy.

Future phases of the new POE will add additional capacity and foster sustainable operations. The goal is for it to become the model project for 21st century safe, secure, and efficient crossings.



Tomorrow's new Port of Entry



21st century demand

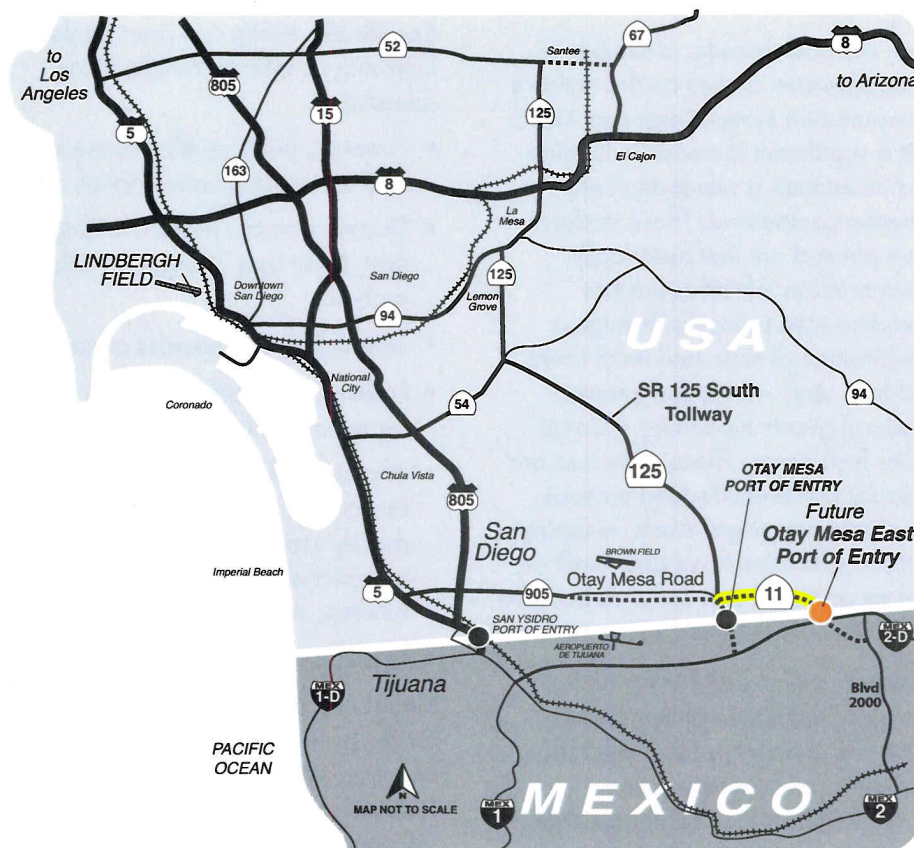
## ACCOMPLISHMENTS TO DATE

- Exchange of Diplomatic Notes with Mexico and technical coordination
- Financial Feasibility Study and POE Feasibility Study completed
- SANDAG-sponsored toll legislation approved – SB 1486 (Ducheny)
- Tier I Program EIS/EIR approved – October 2008
- U.S. Presidential Permit approved by State Department – December 2008
- Enhanced Program Development Study for POE underway

We invite you to help us become a national model for tomorrow's safe, secure, and efficient border system.

Coordination and support is needed in the following areas:

- Security clearances
- Transfer of property
- Memorandum of Understanding
- Safe and secure operational innovations
- Mexico coordination
- And more!



For more information contact:

Mario Orso (619) 921-4230; [mario.orso@dot.ca.gov](mailto:mario.orso@dot.ca.gov)

Marney Cox (619) 699-1930; [mco@sandag.org](mailto:mco@sandag.org)

Tina Casgar (619) 699-1982; [cca@sandag.org](mailto:cca@sandag.org)

